

# **EXHIBIT N**

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HOME INSURANCE COMPANY,  Plaintiff,  vs.  CORNELL-DUBILIER ELECTRONICS, INC., et al,  Defendants.	SUPERIOR COURT OF NEW JERSEY LAW DIVISION: MERCER COUNTY  Civil Action Docket No. MER-L-5192-96
CORNELL-DUBILIER ELECTRONICS, INC., et al.  Plaintiff,  vs.  UNITED INSURANCE COMPANY,  Defendant.	Civil Action Docket No. MER-L-2773-02
CORNELL-DUBILIER ELECTRONICS, INC., et al.  Plaintiff,  vs.  COLUMBIA CASUALTY COMPANY, et al.,  Defendants.	Civil Action Docket No. MER-L-463-05

**CERTIFICATION OF RONALD H. STOLLE IN SUPPORT OF EXXON MOBIL  
CORPORATION'S OPPOSITION TO CORNELL-DUBILIER ELECTRONICS, INC.'S  
MOTION FOR SUMMARY JUDGMENT AGAINST THE LONDON MARKET  
INSURERS WITH RESPECT TO THE EXXON POLICIES**

1. I, Ronald H. Stolle, former Director of Risk Management and Director of Treasury Operations for Reliance Electric Company, submit this Certification in support of Exxon Mobil Corporation's ("Exxon") opposition to Cornell-Dubilier Electronics, Inc.'s ("CDE") motion for summary judgment against the London Market Insurers with respect to the Exxon Policies.

2. I joined Reliance Electric Company ("REC") as Director of Risk Management in October 1978. I remained employed by REC until March 1995. Throughout the period of my employment with REC, I directly managed or oversaw the corporate insurance and risk management functions.

3. In March 1979, REC acquired the stock of Federal Pacific Electric Company ("FPE") from a company called UV Industries. At that time, Cornell-Dubilier Electronics, Inc. ("CDE") was a wholly-owned subsidiary of FPE. I was involved in transitioning insurance coverage for FPE and CDE from the UV Industries policies to the REC insurance program, which was accomplished on the first day, March 29, 1979, that FPE and CDE came under the ownership of REC.

4. The REC insurance policies renewed on July 1, 1979 and provided coverage through June 30, 1980. I was involved in placing the coverage and did so on behalf of not only REC, but also its affiliates, FPE and CDE. From the time of the acquisition until they were sold, REC managed the insurance decisions for FPE and CDE.

5. In mid-1979, Exxon announced a tender offer for the stock of REC. This was a very large corporate transaction, and governmental authorities sued to stop the transaction pending antitrust reviews. I was not directly involved, but I know that throughout the remainder of 1979 and beyond, there remained the possibility that the acquisition might not be approved,

and REC and Exxon were ordered to hold separate certain aspects of the businesses. Because of the possibility that Exxon would not be allowed to acquire REC, I was concerned that REC maintain its own independent insurance coverage.

6. The Exxon acquisition of REC was completed at the end of 1979, but government review continued, and hold-separate orders remained in place for certain business segments.

7. However, in 1979, I began to learn about the Exxon insurance program. Ancon Insurance Company, an Exxon-owned captive insurer, provided insurance to Exxon and its affiliates. Ancon's policies renewed on January 1, 1980. Ancon was interested in covering REC and its affiliates effective as of that date. Ancon representatives made presentations to me, outlining the coverage available and providing quotations on the premiums that would be charged. REC carefully considered the proposals, which would have entailed cancellation of existing coverage mid-year, but ultimately REC decided to reject the offer and leave its coverage in place until policy year-end, July 1, 1980.

8. Soon after the acquisition, REC and Exxon began to discover significant problems with the operations of FPE and CDE that had not been disclosed by UV Industries. FPE was accused of widespread cheating on UL certification testing of circuit breakers, and CDE was accused of causing widespread pollution, particularly from PCBs, in connection with its manufacturing operations. We were concerned that there may be other problems as well. REC filed a lawsuit against UV Industries charging securities fraud and seeking, among other things, rescission of the acquisition of FPE and CDE.

9. By July 1, 1980, when the REC policies expired, REC began to purchase insurance from Ancon for itself and its subsidiary companies. A copy of the policy is attached as Exhibit A. By this time, we knew about the claims concerning PCB contamination associated

with CDE's manufacturing operations, and to the extent that those were disclosed to REC and Ancon, they were expressly excluded from coverage under all Ancon-issued policies.

10. The Ancon insurance policy was amended annually each year that REC, FPE, and CDE remained affiliated with Exxon. Each year, REC paid a premium to Ancon for the coverage, and it charged its subsidiary companies, including FPE and CDE, for their proportionate share.

11. I understand that Ancon, along with Exxon, obtained reinsurance in the worldwide markets, but I was never involved in those coverage negotiations. We never considered the London Market or other policies procured by Exxon or Ancon in the worldwide market to be direct insurance for REC or its affiliates FPE and CDE. REC, FPE, and CDE never paid premiums for those policies and never saw or examined Ancon's reinsurance contracts. We always considered ourselves to be insured under the Ancon policies, and I considered whatever policies Ancon and Exxon obtained in the London Markets to be their reinsurance.

12. Each year registers of all REC insurance were produced by me or my staff. A representative sample is attached as Exhibit B. Such registers were intended to be a complete summary listing and description of all coverage in effect for REC and its affiliates at the time. None of the insurance registers during the period from 1979 through 1986 included any Exxon or Ancon policies issued by the London Market Insurers. Rather, from July 1, 1980 on, the registers only listed Ancon policies issued to REC.

13. In late 1986, the stock of REC was sold in a management-led, leveraged buyout. As part of that transaction, the parties listed all of REC's existing and previous insurance coverage in schedules made part of the Stock Purchase Agreement, attached as Exhibit C. The schedule listed the Ancon policy and made no reference to any London Market Insurer policies,

because REC never considered those policies to provide insurance to REC or its subsidiaries.

The parties therefore agreed that those were not REC policies.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

  
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RONALD H. STOLLE

# **EXHIBIT O**

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CORNELL-DUBILIER ELECTRONICS, INC., et al.  Plaintiff,  vs.  COLUMBIA CASUALTY COMPANY, et al.,  Defendants.	Civil Action Docket No. MER-L-463-05

**CERTIFICATION OF THOMAS M. CHASSER IN SUPPORT OF EXXONMOBIL  
CORPORATION'S OPPOSITION TO CORNELL-DUBILIER ELECTRONICS, INC.'S  
MOTION FOR SUMMARY JUDGMENT AGAINST THE LONDON MARKET  
INSURERS WITH RESPECT TO THE EXXON POLICIES**



THOMAS M. CHASSER, of full age, hereby certifies as follows:

1. I am the former Vice President of ExxonMobil Risk Management, Inc. (also formerly known as Exxon Insurance Services Corp.) (hereinafter, "EMRM") and submit this Certification in support of Exxon's opposition to Cornell-Dubilier Electronics, Inc.'s ("CDE") motion for summary judgment against the London Market Insurers with respect to the Exxon Policies. EMRM acted as manager of Ancon Insurance Company, Inc. (formerly Ancon Insurance Company S.A.) ("Ancon") and the Exxon Corporation and later the Exxon Mobil Corporation insurance program. Exxon Mobil Corporation, formerly known as Exxon Corporation are referred to in this Certification as "Exxon."

2. I joined EMRM in 1978 and retired in September 2004. Throughout the period of my employment with EMRM, I was engaged in various aspects of its' insurance operations, including the management of the Exxon insurance program, which included the insurance arrangements for Exxon's subsidiaries, and the activities of Ancon Insurance Company, Inc (formerly known as Ancon Insurance Company, S.A.) ("Ancon"), which is Exxon's captive insurer.

3. In the 1970's and 1980's, Exxon and its wholly-owned insurer, Ancon, purchased insurance and reinsurance in programs subscribed by both Lloyd's syndicates and insurance companies from around the world (the "Exxon/Ancon Insurance Programs"). These programs provided both insurance of Exxon and reinsurance of Ancon, as required by Exxon, under the same policy. Many, though not all of the insurance companies on these programs, had places of business in London.

4. Based on my experience in the insurance markets, Lloyd's of London was an insurance market in London that provided a place of business for syndicates of underwriters who

registered at Lloyd's on an annual basis. Each syndicate was identified by a separate number and would, in turn, be managed by a Managing Agent. The syndicates were not insurance companies in the sense of separately incorporated companies. Rather, each of the underwriters at the time were individuals who at least, theoretically, had personal liability for the insurances underwritten by the syndicate.

5. Separate and apart from Lloyd's, the London insurance market in the 1970's and early 1980's, also had a large number of insurance companies that wrote insurance from offices in London. These insurance companies were not underwriters at Lloyd's and conducted their insurance business independently of Lloyd's.

6. The Exxon/Ancon Insurance Programs were in place throughout the 1970's and 1980's. The limits, terms, and insurers changed over the course of these years. The General Liability Program of the Exxon/Ancon Insurance Programs provided coverage directly to Exxon and/or reinsurance to Ancon and was effective for the year January 1, 1979 to January 1, 1980, and was renewed each year through November 1, 1985 (collectively, the "Exxon Liability Policies").

7. The Named Insured provision for each of these policies was written to give Exxon and Ancon, as the Named Insureds, the flexibility to determine whether to use the program either for direct insurance of Exxon or its affiliates, or as reinsurance of Ancon's direct insurance issued to Exxon or its affiliates. Where Ancon would issue a policy to Exxon or one of its affiliates, the Exxon/Ancon program would act only as reinsurance of Ancon.

8. In accordance with this intent, the Named Insured clause in each of these policies had the phrase "and/or" between the identification of Exxon and its affiliated companies and Ancon, as a reinsured insurer. If Exxon chose to have some of its and its affiliates' risks covered

by an Ancon policy and some by direct insurance under the Exxon/Ancon program, the operative word would be "and" in the "and/or" phrase because the program would be providing both reinsurance to Ancon and insurance to Exxon or its affiliates that did not have an Ancon policy. If Exxon decided to have no insurance through Ancon or to have all of its activities insured directly through Ancon, however, the operative word in the "and/or" phrase would be "or" because the program would be providing either all direct insurance or all reinsurance.

9. Neither Exxon nor Ancon intended the insurance program to effect double insurance for Exxon or any of its affiliates.

10. Exxon also recognized that if the Exxon/Ancon Insurance Program were to provide both direct insurance to a particular subsidiary and reinsurance of Ancon's insurance of that same subsidiary, it could be tantamount to buying twice the policy limit requiring twice the premium.

11. In late 1979, Exxon acquired Reliance Electric Company ("Reliance") and its subsidiaries, including CDE. At that time, I participated in discussions with Reliance to have Reliance participate in the Exxon insurance program, and Ancon offered to provide coverage to Reliance (and its affiliates) effective January 1, 1980. Reliance specifically considered and rejected the Ancon coverage, deciding to wait until July 1, 1980, when Reliance's existing pre-acquisition coverage expired. We agreed with this decision and Reliance was not included in any Exxon insurance programs until July 1, 1980.

12. From July 1, 1980 until its sale, Reliance purchased General Liability insurance coverage from Ancon for itself and its subsidiary companies, including CDE, under Policy No. 7/147. Each year that Reliance (and CDE) remained affiliated with Exxon, Reliance

renewed the Ancon policy and paid a premium for that policy. I have been told that Reliance then charged its subsidiaries for their proportionate share.

13. These Reliance risks would flow through to the Exxon/Ancon Insurance Program as reinsurance of Ancon as of July 1, 1980. That reinsurance resulted in an additional premium related to the Reliance risks per annum to be paid on a pro rata basis in 1980, for the time of actual coverage. This agreement between Exxon and Ancon and the insurers is reflected in Addendum No. 20 to the 1980 Exxon Policy. A copy of that policy is attached as Exhibit A to the Certification of Peter Wilson dated July 23, 2010.

14. The broker on the Exxon Policies, at my direction, documented Reliance's inclusion in the Exxon/Ancon Insurance Program. The broker did this by simply issuing an addendum identifying Reliance as an additional insured, as had been done for other Exxon affiliates. This addendum documented that the insurers had accepted the risks related to Reliance either as direct insurance or as reinsurance of Ancon, depending on whether Ancon issued a policy to Reliance. This, in turn, allowed us at EMRM to determine without further paperwork for the Exxon Policies whether to issue an Ancon policy or to allow Reliance to be a direct insured under the Exxon Policies. With respect to Reliance, Ancon in fact issued a policy to Reliance under Policy No. 7/147. As a result, the Exxon Policies acted only as reinsurance of Ancon with respect to the Reliance risks.

15. On August 22, 2006, I provided deposition testimony in this case where I stated that consistent with the trends in the insurance and reinsurance markets, Endorsement No. 19 to the Ancon Policy was added to change the coverage from occurrence-based to claims-made and retroactively applied to the July 1, 1980 inception date of that policy. A true and accurate copy of Endorsement No. 19 is annexed to the Certification of Ronald Stolle dated July 15, 2010.

16. I drafted Endorsement No. 19 to pass the language of Exxon and Ancon's reinsurance coverage along to Reliance. Such language was copied from Addendum No. 28 to the Exxon Policy, added in 1984. A true and accurate copy of Addendum No. 28 is annexed hereto as Exhibit 1. In fact, the addition of that addendum to the Ancon reinsurance resulted in Ancon issuing Endorsement No. 19.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Dated: July 28, 2010.

  
THOMAS M. CHASSER

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# **EXHIBIT P**

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**CERTIFICATION OF PETER S. WILSON IN SUPPORT OF EXXONMOBIL  
CORPORATION'S OPPOSITION TO CORNELL-DUBILIER ELECTRONICS, INC.'S  
MOTION FOR SUMMARY JUDGMENT AGAINST THE LONDON MARKET  
INSURERS WITH RESPECT TO THE EXXON POLICIES**

Peter S. Wilson hereby certifies the following:

1. I have previously submitted a certification in this proceeding dated August 6, 2007. As stated in that certification, I am the Managing Director of Beresford Consultants Limited, an insurance consulting firm that I founded in England in June 1990.

2. I began my work in the insurance market in London in 1958, working as a trainee at a Lloyd's Broker, Price Forbes & Co. I remained at that firm until April 1963. From 1958 until I departed, I was appointed a Junior Placing Broker and eventually a Senior Placing Broker. In those capacities, I assisted in the placement of insurance and reinsurance with Lloyd's syndicates and London Market insurance companies.

3. In April 1963, I joined H.S. Weavers (Underwriting) Agencies Limited ("Weavers"), an agency that underwrote various classes of insurance and reinsurance on behalf of managed and represented insurance companies. From 1963 until 1967, I worked as an Assistant Underwriter. In 1967, I was named a Senior Underwriter and a Director of Weavers. In 1974, I was named Chief Underwriter and Managing Director. I was appointed Deputy Chairman in 1989, and continued in my role as Chief Underwriter until I left in 1990.

4. In the 1970's and 1980's, Weavers was a leading underwriter on certain policies in the Exxon/Ancon insurance and reinsurance program. I acted for Weavers in connection with these policies. This program was unusual in that it was structured as both an insurance and reinsurance program. Exxon's captive insurer, Ancon Insurance Company ("Ancon"), issued policies of insurance to various Exxon affiliates and therefore needed reinsurance to cover those risks in excess of \$10 million. In addition, Exxon and some of its affiliates also had direct insurance through this program for some of their risks. As a result, the Named Insured clause was written so as to give Exxon and Ancon, as the Named Insureds, maximum flexibility. Thus,



where Ancon would issue a policy to Exxon or one of its affiliates, the Exxon/Ancon program would act only as reinsurance of Ancon.

5. In accordance with this intent, the Named Insured clause in the Declarations for each of these policies was written with the phrase "and/or" between the identification of Exxon Corporation and its Affiliated Companies and Ancon Insurance Company S.A., as an insurer. Thus, if Exxon decided that some of its or its Affiliates' risks would be covered by an Ancon policy and some by direct insurance under this program, the operative word would be "and" in the "and/or" phrase because the program would be providing both reinsurance to Ancon and insurance to Exxon or its affiliates that did not have an Ancon policy. On the other hand, if Exxon were to decide to have no insurance through Ancon or to have all of its activities insured directly through Ancon, the operative word in the "and/or" phrase would be "or" because the program would be providing either all direct insurance or all reinsurance.

6. It was never the intent of the insurers on this program or, I believe, Exxon or Ancon to effect double insurance for any affiliate or for Exxon itself. Double insurance is economically nonsensical because it will result in much higher costs for the insured, as well as conflicts, when a claim needs to be settled. In my more than 50 years experience in commercial insurance, the concept of an insurance policy providing insurance cover that was duplicative of the cover provided by another policy was never contemplated or granted unless such cover was in excess of the policy limits granted by the other insurer.

7. I have reviewed various documents with respect to the inclusion of Reliance Electric Company ("Reliance") in the Exxon/Ancon insurance and reinsurance program. Attached as Exhibit A to this Certification is a copy of a 1980 policy issued to Exxon and Ancon. Addendum No. 20 of that policy notes that Reliance Electric Company was added as an

additional insured as of the 1<sup>st</sup> July, 1980. Attached as Exhibit B to this Certification is a copy of a disclosure regarding Reliance. My initials and a date of December 18, 1979 appear on this exhibit. Those initials and the date document that I was shown this disclosure as a leading underwriter on the program on December 18, 1979. That is just before the inception of the 1980 policy year. When Exxon affiliates with operations of the size of the Reliance operations were to be added to the program, either as insureds or through Ancon's reinsurance, a disclosure had to be made to the leading underwriters before insurance would be effective either directly or as reinsurance. Consequently, there was no insurance for Reliance directly or through reinsurance under the Exxon/Ancon insurance and reinsurance program before such a disclosure was made.

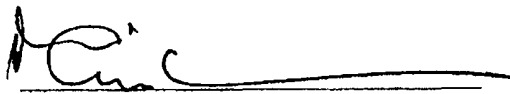
8. Based on these documents and the materials that I reviewed in connection with my expert report that I previously gave in this matter, I recall that Reliance had insurance in place and that Exxon desired to allow that insurance to run out before adding Reliance to the Exxon/Ancon insurance and reinsurance program. Of course, this is in line with my comments above regarding double insurance. I recall that insurers agreed to this and therefore cover for Reliance either as reinsurance or direct insurance, as Exxon might choose, would only incept as of July 1, 1980, and would result in an Additional Premium of \$50,000 per annum to be paid on a pro rata basis for the time of actual coverage under the program. This is reflected in Addendum No. 20 of Exhibit A to this Certification. I do not recall whether the Additional Premium for Reliance was in fact paid by Exxon.

9. With respect to the status of Reliance as an "Additional Insured," this denomination did not connote in this program that there was direct insurance for Reliance or any other Exxon affiliate that may have been included on additional insured Addendums. Rather, in a normal reinsurance program, the ceding insurer would be required to identify its insureds and

the types of risks that might be covered under the reinsurance program. Because insurers were willing to provide maximum flexibility to Exxon, the insurers on the Exxon/Ancon insurance and reinsurance program did not insist on an identification that would later need to be amended as circumstances might change of those affiliates who would have direct insurance and those that would be a part of the Ancon reinsurance program. Rather, the broker on behalf of Exxon and the insurers, documented the disclosure of the affiliate and its inclusion in the insurance and reinsurance program by simply issuing addendum identifying these affiliates as additional insureds. The actual status of these insureds under the program depended on whether a policy was in fact issued by Ancon.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Dated: July 23, 2010

  
PETER S. WILSON

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